









2021
Issaquah Annual
Housing Report Card



Each year, a Housing Report Card is prepared to show the City's progress toward implementing the 2017 Housing Strategy Work Plan aimed at achieving the type of housing growth and development patterns that support and help define the community's quality of life. This Report Card provides a snapshot of where the City's housing and its residents are for the reporting year, and what has changed over the past year. The Report Card addresses residential growth and development in terms of the four Key Challenges identified in the Housing Strategy Work Plan: **Growth, Evolving Housing Market, Affordability** and **Vulnerable Residents**.

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Where We Are: 2021

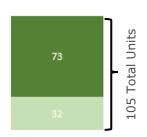
Growth

From January 1 through December 31, 2021, 105 housing units were completed. Seventy percent of the units were single family and 30% were multi-family. Most new units are located in Talus and Issaquah Highlands. Locations of new 2021 units can be found on the map on page 12.

New state mandated housing targets for the 2019-2044 planning cycle were adopted in 2021. Issaquah is required to accommodate 3,500 new units through zoning. The city's current capacity for housing is 12, 159 new units; more than enough to accommodate the newly adopted targets. All housing finaled (completed) since January 2019 will count toward the 2019-2044 targets.

UNITS FINALED BY TYPE 2021

■ Multi-Family ■ Single Family



Evolving Housing Market

As Issaquah is running out of vacant land for new subdivisions, it is expected the percentage of multifamily will increase; however, because residential development will primarily be redevelopment, the rate of growth is expected to slow.

Most growth is anticipated to take place in Central Issaquah which has the most development capacity. As the city continues to densify, the city will take steps to mitigate the impact of densification and to preserve existing single-family neighborhoods, implementing objective GD1 of the Strategic Plan: Neighborhoods retain their charm and distinctive character, pattern, and setting that includes both built and natural environments. Additionally, the *Olde Town Architectural Standards for Single Family-Duplex* were adopted in 2020, and code revisions that will be incorporated into the update of Title 18, Land Use Code.

Affordability

Issaquah has 989 affordable housing units that are up to 120% of the King County Area Median Income¹ (AMI). Eight hundred and seven (807) units are at or below 80% of the Area Median Income (AMI), which is up from 795 units in 2020. One-hundred eighty-two (182) units are from 81% to 120%² of the AMI.

¹ The King County Area Median Income is \$115,700 for a family of four. Units at 80% or below the AMI are considered affordable by King County and Issaquah.

Units above the 80% threshold are considered workforce housing and are a subset of rental affordable housing; however, it does not count toward Issaquah's affordable housing counts for King County.

Although there are no covenants attached to them, Accessory Dwelling Units (ADUs) are also considered to be affordable housing available at 80% AMI. As of 2021, the city has a total of 77 ADUs.

Issaquah adopted King County's target of 40% of its units affordable at 80% or below the AMI; however, Issaquah is currently only at 4.6%³ of its units at or below 80%.

Vulnerable Residents

The city's work in 2021 focused on continuing COVID-19 crisis response, while planning for recovery and initiatives for the next few years.

The annual allocation for the 2021 Human Services Grants was \$500,000, which provides partial funding for 57 programs within 39 organizations. In addition to grant funding, the City of Issaquah provided the following additional assistance to vulnerable populations, as part of the COVID-19 emergency response and recovery planning.

- \$55,000 for landlord-tenant dispute resolution and mediation services
- \$66,500 for additional emergency housing services and severe weather shelter for individuals experiencing homelessness
- \$500,000 in emergency rental assistance

Issaquah's first Human Services Strategic Plan was created in 2021 to guide the human services initiatives for the next five years and to provide a roadmap for social services investments, policy recommendations, advocacy, and technical assistance needs. The Human Services Strategic Plan addresses Housing Continuum - affordable housing and homelessness. This Focus Area includes services that help promote housing security for residents who are housing cost burdened, low-income community members, seniors, persons with disabilities, and those at risk of becoming homelessness, as well as, services that directly address and respond to homelessness.

³ This percentage represents only housing with ARCH restrictive covenants that are built or under construction or permitted. ADUs and market rate housing, because they do not have covenants, are not included in this percentage.

Housing Strategy Work Plan: 2021 Highlights

In 2021, the city was awarded a Housing Action Plan Implementation grant from the Department of Commerce to implement the strategies and implementing actions listed below. The work must be completed by June 2023.

Strategy 6: Increase the developer-provided affordable housing in Central Issaguah.

6.3 The City should evaluate the potential for an inclusionary requirement outside Central Issaquah.

Strategy 7: Mitigate/offset the deterrents to condominium construction.

7.3 The City will commit resources to the research, including use by other cities in the state and in other states (such as Colorado), of local provisions impacting condominium development and evaluating if any local measures, including City Code, can facilitate the construction of new condominium projects.

Strategy 8: Incorporate code provisions to increase the potential diversity of housing types built in the City.

- 8.1 The Administration should research regulatory and permit provisions incorporated by other peer jurisdictions in East King County and the region, for smaller forms of alternative housing that would fit in Issaguah.
- 8.2 Conduct an assessment of potential suitability of alternative forms of smaller housing, including "missing middle" types, in different neighborhoods.

Housing Strategy Work Plan: Status Report

On Hold In Process/On-Going Complete

Strategy	Policy Considerations	Status
Strategy 1 Remove barriers to facilitate the construction of Accessory Dwelling Units (e.g. processing & cost)	1.1 ADUs are intended to be an accessory unit versus standard housing (i.e. are not creating de-facto duplexes). This distinction should be retained.	Completed 2018. ADU definition amended to say, "A single-family structure with an accessory dwelling unit is not considered to be a duplex."
	1.2 The City Code should encourage the creation of ADUs while respecting the general character of single-family neighborhoods in which they are located (e.g. parking, Air BnB, unit entrances, etc.). Consider allowing ADUs in all neighborhoods.	Completed in 2018. ADUs are allowed in all neighborhoods where single family housing is allowed.
	1.3 The City will seek opportunities to minimize the regulatory costs for the construction of ADUs. Actions could include permitting process; continued exemption of impact fees; and, connection to utilities.	Completed in 2018. Separate meter is not required saving about \$12,000. Land Use Review no longer required thereby speeding up the process and reducing costs by \$500. Impact fees still not charged.
	1.4 The City will consider ways to promote community awareness of the ability and process for creating ADUs. This includes the City considering ways to cooperate with other cities on increasing community awareness of ADUs.	On Hold.
Strategy 2 Provide a variety of approaches to limit and mitigate teardowns of	2.1 Explore to what extent City regulations limit single- family redevelopment opportunities, for example, limiting size, set-backs, height, and/or density of redevelopment in existing neighborhoods to preserve	On Hold

Strategy	Policy Considerations	Status
residences in established neighborhoods	existing housing and neighborhood character.	
Heighborhoods	2.2 Should the City explore the enactment of regulations that would limit demolitions, boundary line adjustments or short platting of existing residential property?	On Hold
	2.3 Determine if such efforts are citywide, or, for specific neighborhoods and whether regulations would distinguish between existing homeowners and/or developers.	On Hold
	2.4 Explore to what extent City regulations limit the design/size of new single-family housing in either existing single-family neighborhoods and/or all single-family neighborhoods.	On Hold
	2.5 Encourage the rehabilitation, relocation, or reuse, rather than demolition of existing, structurally sound housing. The City could pursue supporting or providing funding to programs designed to preserve and rehabilitate existing single-family homes.	On Hold
Strategy 3 Seek out affordable multifamily projects for retention as affordable	3.1 The City can work to create a database of potential properties that would be good candidates for preservation opportunities for affordable housing, and to initiate outreach to property owners.	Completed in 2021. Staff compiled an inventory of market-rate, multifamily housing to potentially be preserved as Affordable Housing.
housing choices for the community	3.2 The City can continue to support and partner with organizations that are acquiring existing properties to rehab and preserve for affordable housing (Note: Through ARCH Trust Fund, City has supported such	On Hold

Strategy	Policy Considerations	Status
	efforts in the past, e.g. Clark Street with Imagine Housing).	
	3.3 The City could monitor and consider supporting State legislation to expand the property tax exemption program to allow for existing housing that sets aside a portion of units for affordable housing.	On Hold
	3.4 The City could evaluate using local resources for rehab assistance of existing private housing in exchange for providing some level of affordability. (This would supplement/complement existing County multifamily repair program, which has been used on a limited basis, and not yet used in Issaquah.)	On Hold
Strategy 4 Identify additional funding options	4.1 The City will evaluate current resources committed to the provision of affordable housing; and, explore increasing contributions.	On Hold
for affordable housing	4.2 The City will explore the dedication of non-general fund funding streams for the creation/ preservation of affordable housing. These could include passing a local housing levy or development fee, supporting legislation that would expand funding tools available at the discretion of local jurisdictions, etc.	The City adopted a sales tax in accordance with HB 1406. Funds will be dedicated to affordable housing. The City Council will determine allocation.
	4.3 The City will monitor and potentially advocate for regional funding strategies that would supplement and leverage local affordable housing efforts.	On Hold
	4.4 The City will update City owned land inventory to evaluate if any parcels could be	A policy for the surplus of city- owned properties was discussed at the April 13, 2021 City Council Study Session.

Strategy	Policy Considerations	Status
	appropriate for affordable housing.	The Administration is tentatively scheduled to return to the Council in 2022 for adoption.
Strategy 5 Facilitate the development of Transit-Oriented	5.1 The City should support applications for other funding sources for the potential TOD project.	In 2017, the city applied for and received funding from organizations such as ARCH and the King County Housing Authority.
Development	5.2 The City will evaluate using existing tools (e.g. Multifamily Tax Exemption (MFTE) etc.) to take more direct action to support/enhance the	MFTE adopted for this project in December 2017 (Ord 2821) IMC 3.09, Multifamily Housing Property Tax Exemption
	affordability component of the TOD project and increase competitiveness for other public funding assistance.	A redesignation and rezone for the future Lumen property approved in December 2020.
Strategy 6 Increase the developer-provided affordable housing in	6.1 The City should look to increase the inclusionary requirements in Central Issaquah. Evaluate how many units this could create and would there be unintended consequences.	Adopted inclusionary housing regulations for the Urban Core, Vertical Mixed Use, and Mixed-Use zones in 2019; IMC 18.21.070 Affordable housing – Urban Core and Central Issaquah incentives.
Central Issaquah	6.2 The City should evaluate provisions allowing for fee inlieu and other forms of alternative compliance.	The city allows fee in-lieu as part of its Density Bonus Program.
	6.3 The City should evaluate the potential for an inclusionary requirement outside Central Issaquah.	The city was awarded a Housing Action Plan and Implementation grant in October 2021. Funding will be used to assess the existing conditions and propose new regulations to improve housing opportunities and diversity.
Strategy 7 Mitigate/offset the deterrents to condominium	7.1 The City should take an interest in its housing having a composition of both ownership and rental, including in Central Issaquah.	Ownership and rental is monitored through the annual PSRC Permit Request
construction	7.2 The City should commit its lobbying resources to monitor & support State legislation to address condominium construction.	The state amended its condominium construction laws in 2019. The results of the amendments have yet to be seen.

Strategy	Policy Considerations	Status
	7.3 The City will commit resources to the research, including use by other cities in the state and in other states (such as Colorado), of local provisions impacting condominium development and evaluating if any local measures, including City Code, can facilitate the construction of new condominium projects.	The city was awarded a Housing Action Plan and Implementation grant in October 2021. Funding will be used to assess the existing Code and propose new regulations to improve housing opportunities and diversity.
Strategy 8 Incorporate code provisions to increase the potential diversity of housing types built in the City	8.1 The Administration should research regulatory and permit provisions incorporated by other peer jurisdictions in East King County and the region, for smaller forms of alternative housing that would fit in Issaquah.	Research began in 2018. City was awarded the Housing Action Plan and Implementation Grant to explore alternative forms of housing.
built in the City	8.2 Conduct an assessment of potential suitability of alternative forms of smaller housing, including "missing middle" types, in different neighborhoods.	Same as above.
Strategy 9 Support housing options and services to assist those people experiencing	9.1 Identify housing options that allow persons with special housing needs and limited income (e.g. group homes and memory care) and ensure there is accommodation within the City to allow such forms of housing.	Elements of this goal have been incorporated and will be addressed by the human Services Strategic Plan.
housing insecurity and those with barriers to independent living (e.g.	9.2 Explore how the city could provide support to housing targeted to those with special housing needs and those with limited income.	This has been incorporated and will be addressed by the Human Services Strategic Plan, Goal 3A and strategic actions: 3.4. and 3.5.
seniors aging in place and adults with disabilities)	9.3 Identify types and availability of services that enable residents with special needs to remain in their housing or community. Help to increase awareness of existing programs and explore how the city could provide further	This has been incorporated and will be addressed by the Human Services Strategic Plan, Goal 3A and strategic actions 3.1. and 3.2.

Strategy	Policy Considerations	Status
	assistance to agencies providing support.	
	9.4 Determine the specific needs of, and support services for homeless and low-income individuals/families through local and regional partnerships.	This has been incorporated and will be addressed by the Human Services Strategic Plan, Goal 3B and strategic action 3.7.
	9.5 Consider a city funded programs for home repair and weatherization for existing housing. Promote energy efficiency and other measures of sustainability in design and construction of affordable units to reduce costs for residents.	This has been incorporated and will be addressed by the Human Services Strategic Plan, Goal3A and strategic action 3.4.
	9.6 Enhance efforts to address homelessness by continuing to work with neighboring jurisdictions and King County on multiple efforts to address homelessness, including the King County All Home initiative, and supporting faith organizations and nonprofits that provide shelter and other services.	This has been incorporated and will be addressed by the Human Services Strategic Plan, Goal 3B and strategic actions: 3.6., 3.7, 3.8, and 3.9.

Appendix A: Statistics

Growth

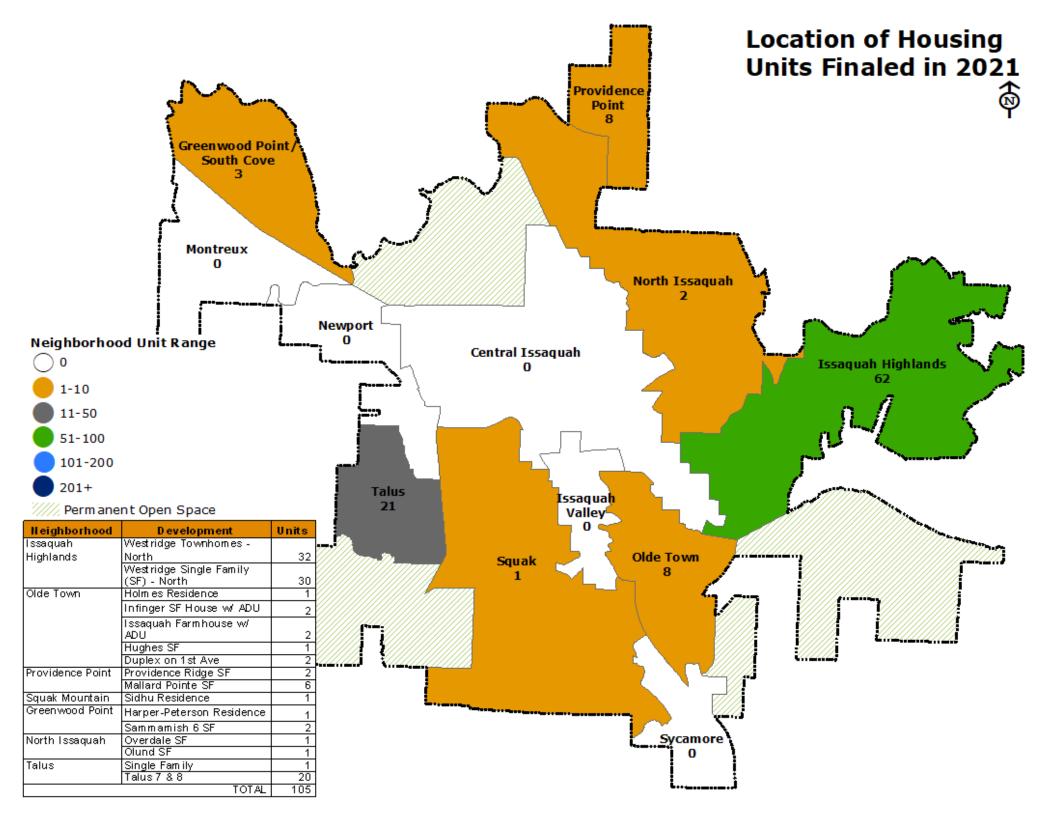
The housing market in Issaquah has grown faster than anticipated. This rapid growth has been a function of zoning changes from Central Issaquah, robust population growth of the Puget Sound region, and larger properties – such as those along Newport Way – commencing with residential redevelopment.

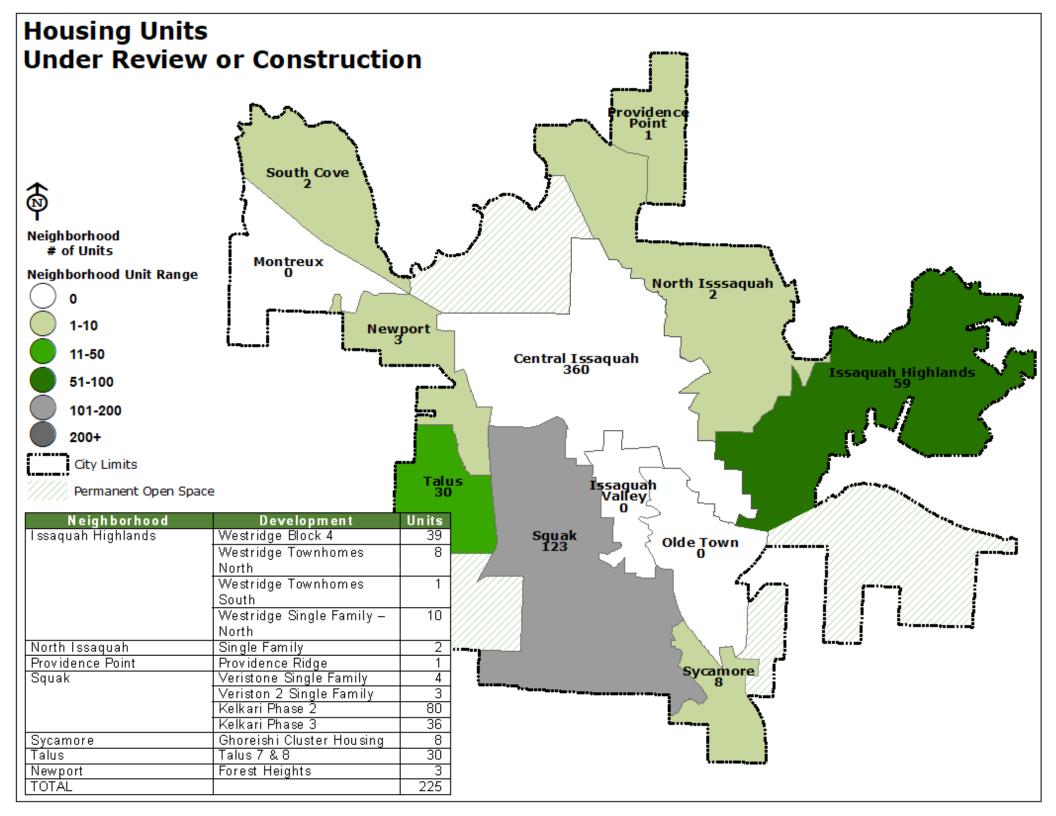
Housing Strategy Action Plan

Year	New Units (Permitted) ¹	Total Units (Citywide) ²	% Increase Over Previous Year
2006	581	9,418	
2017	1,016	16,202	72.03%
2018	445	16,647	4%
2019	154	16,801	2.75%
2020	623	17,424	3.70%
2021	315	17,739	1.81%

¹ This number includes units that were issued building permits between April 2 of the previous year and April 1 of the report year.

² Source: Office of Financial Management *Postcensal Estimates of April* 1 Housing Units 1980, 1990 to Present





Evolving Housing Market

As Issaquah looks to the future, the large tracts of land that have been subdivided to create new single-family neighborhoods are mostly gone. Although, as seen in 2021, there will likely continue to be some single-family detached housing built in the city, a majority of the housing will be higher-density single-family and multi-family housing.

Housing Strategy Action Plan

Renter v Owner Occupied									
2010 2018 2019 2020									
Owner occupied	66%	59%	61%	60%					
Renter occupied	34%	41%	39%	40%					

Sources: 2010 US Census and 2014 -2018, 2015-2019, and 2016-2020

ACS (American Community Survey) 5-year Estimates

Household Types				
	2010	2018	2019	2020
Living Alone	30%	29%	26%	26%
Married, Children	26%	26%	27%	25%
Married, No Children	26%	24%	27%	27%
Single Parent, Children	6%	7%	6%	6%
Other Households	12%	14%	14%	16%

Sources: 2006-2010 2014-2018, 2015-2019, and 2016-2020 ACS 5-Year Estimates

Household Sizes									
OWNE	OWNER OCCUPIED								
		2-	3-	4-	5-	6-	7+-		
	1-person	person	person	person	person	person	person		
2010	22%	41%	15%	15%	5%	1%	0%		
2018	29%	30%	16%	21%	3%	1%	0%		
2019	25%	33%	19%	18%	4%	1%	0%		
2020	26%	35%	17%	17%	4%	1%	0%		
RENT	ER OCCUPI	ED							
2010	43%	30%	15%	8%	2%	2%	1%		
2018	29%	39%	15%	10%	6%	1%	1%		
2019	17%	39%	15%	11%	4%	1%	1%		
2020	26%	42%	12%	15%	4%	0%	1%		

Sources: 2010 Census and 2014-2018, $\,$ 2015-2019 and 2016-2020 ACS 5-year Estimates

Affordability

The rising cost of living coupled with stagnant household incomes, cuts to worker benefits, limitations in public services, and a shortage of affordable housing have contributed to an increase in both absolute and relative poverty for many across the country as well as in our community.

Housing Strategy Action Plan

Household Incor	nes							
Jurisdiction/ Year	Less than \$25,000	\$25,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$124,999	\$125,000 to \$149,999	\$150,000 to \$199,999	\$200,000 or more
Issaquah								
2006-2010 avg	12%	16%	17%	16%	11%	9%	10%	9%
2014-2018 avg	10%	12%	13%	14%	11%	8%	12%	19%
2015-2019 avg	9%	10%	12%	15%	8%	11%	13%	22%
% Change 2018- 2019	+2%	-14%	-7%	+22%	+1%	+50%	+63%	+197%
2016-2020 avg	9%	8%	12%	13%	9%	11%	14%	25%
% Change 2019- 2020	-1%	-19%	+3%	-11%	+19%	+5%	+10%	+18%
King County								
2006-2010 avg	16%	20%	18%	14%	11%	7%	7%	7%
2014-2018 avg	13%	15%	15%	12%	11%	8%	11%	15%
2015-2019 avg	12%	17%	14%	12%	11%	9%	11%	17%
% Change 2018- 2019	-9%	-4%	-10%	-2%	+15%	+44%	+76%	+164%
2020	11%	13%	14%	12%	10%	9%	12%	19%
% Change 2019- 2020	-3%	-5%	+1%	-1%	0%	+4%	+6%	+12%

Sources: 2006-2010, 2014-2018, 2015-2019, and 2016-2020 ACS 5-Year Estimates

Cost Burdened Households ⁴			
	Cost Burdened 31%-50%	Cost Burdened greater than 50%	Not Cost Burdened
≤30% AMI	18%	68%	14%
31%-50% AMI	21%	52%	27%
51%-80% AMI	50%	28%	23%
81%-100% AMI	39%	7%	54%
>100% AMI	11%	2%	87%

Source: 2014-2018 CHAS 5-Year Estimates

Note: Housing and Urban Development no longer reports "no/negative income" and has been removed from the table

 4 Cost-burdened households are those that pay more than 30% of their incomes for housing. Households that pay more than 50% of their incomes for housing are considered severely cost burdened.

Affordable Housing Since 1980 80% and Below, with Covenants 807 Total Units

DATE

MAP ID

Andrew's Arms

3 Discovery Heights

4 Eastridge House apartments

6 Gilman Square Apartments

5 Enclave at Issaquah Highlands

10 Issaquah Gardens Apartments

18 Monti House (Compassion House I)

22 YWCA Family Village Issaquah Phase I

23 YWCA Family Village Issaquah Phase II

19 Outlook at Issaquah Highlands

11 Johnson Hill Apartments

13 Juniperwood Apartments

14 Lauren Heights

15 LEO House III

20 Rose Crest

24 Z Home

25 Westridge*

26 Forest Heights

%of Area Median Income (AMI)

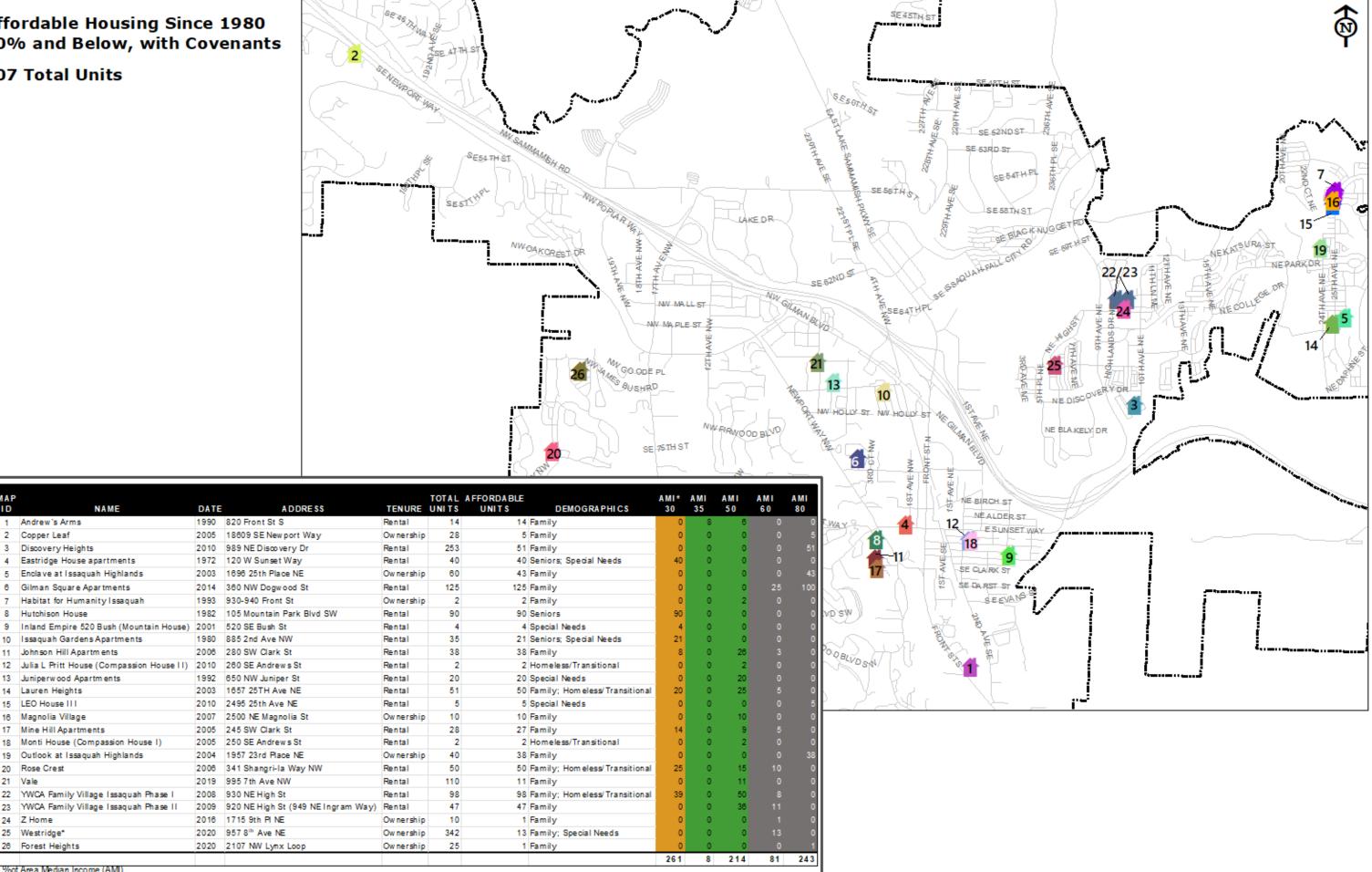
21 Vale

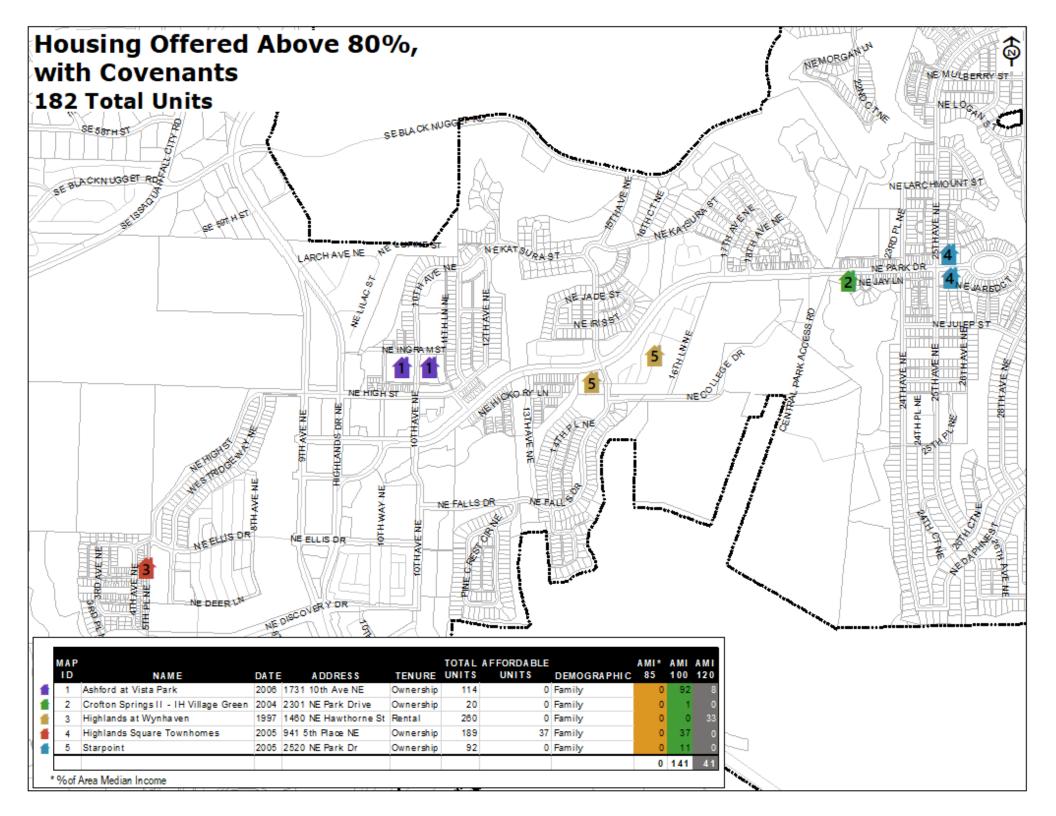
16 Magnolia Village

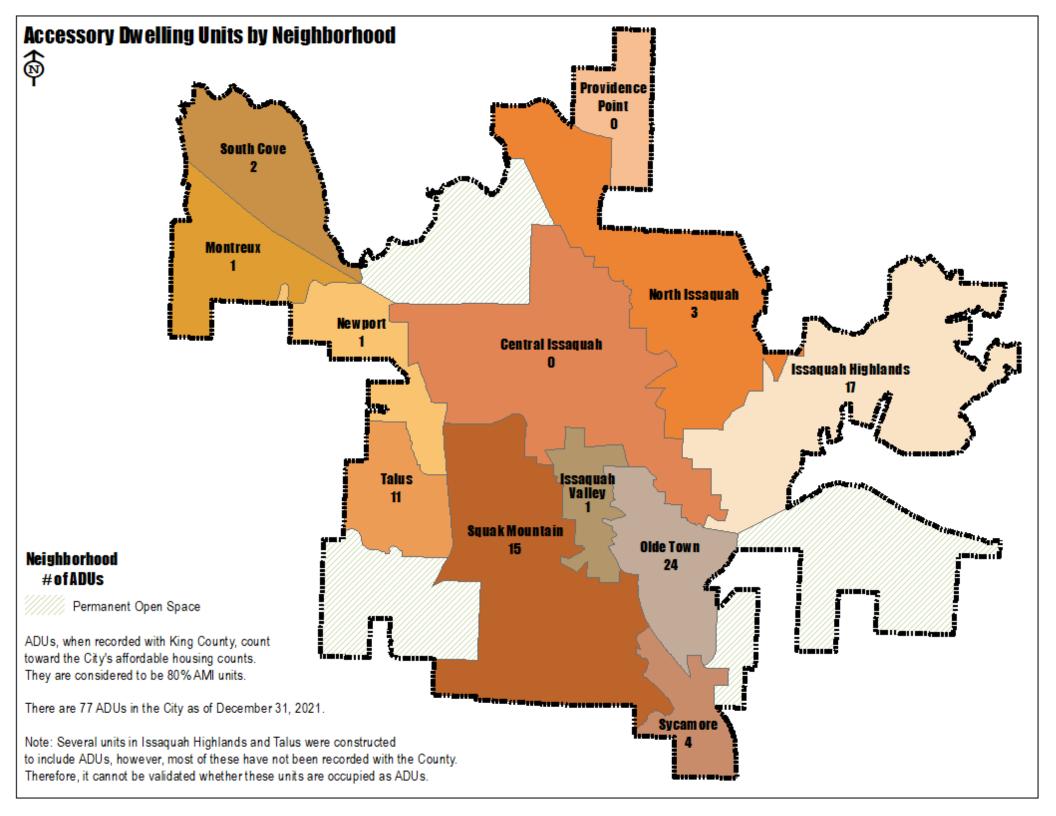
17 Mine Hill Apartments

Habitat for Humanity Issaquah

2 Copper Leaf







Vulnerable Residents

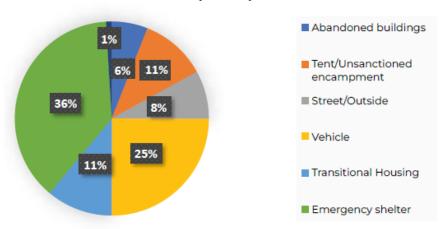
As the City's population grows, the housing needs of certain groups are becoming more scarce or complex. With the aging of the Baby Boomers, the population of seniors is today growing and diversifying. A smaller percentage of seniors are disabled; and, more of them are financially independent. However, the sheer size of the Baby Boom generation means there is a large increase in the absolute number of seniors facing housing affordability and independent living challenges.

Housing Strategy Action Plan

Each year King County and its jurisdictions spend one night counting the homeless population. However, the Pointin-Time Count did not take place in 2021 due to COVID-19. Instead, the King County Regional Housing Authority used a newly available cross-systems data analysis from the Department of Community and Human Services (DCHS) in 2020 discovering that at least 40,871 people experienced homelessness during 2020 which is roughly the same population count for the city of Issaguah. According to the McKinney-Vinto 2019-2020 data, there are 172 homeless students experiencing homelessness in the Issaquah School District.

In the first 6 months of the Behavioral Health and Homeless Outreach Program, connection was made with 56 individuals who are homeless in Issaguah. Of those, 60% reside outside in camps or streets, 21% in vehicles and 9.5% in temporary shelter and/or couch surfing. With no shelter options in Issaguah, many persons do not want to leave the area when offered transportation to go to shelters and if an individual is willing to go to shelter, most local shelters are at capacity, making it challenging to secure a bed.

East King County, Point in Time Count, 2020, N=1,032



Issaquah Homeless Outreach Data, 2021, N=56

